

Mobility: Immigration alert

March 2023



Portugal

Issuance of new Golden Visas to soon be discontinued

Executive summary

On 16 February 2023, the Portuguese Council of Ministers submitted a proposal to amend the "Entry, Stay, Departure and Removal of Foreigners from the National Territory Law" and stop issuing new Golden Visas to foreign investors. Existing holders of certain Golden Visas will still be able to renew their visas, provided they meet certain conditions.

Background

In 2012, the Portuguese authorities introduced the Golden Visa (i.e., Residence Permit for Investment), which authorized third-country nationals who make qualifying investments in Portuguese real estate to work and reside in the country and bring in dependent family members (e.g., spouses and children). Since then, the authorities have made several changes to the Golden Visa program, including implementing revised investment thresholds for individuals to qualify for the visa and expanding the program to those who make investments in categories outside of real estate (e.g., investment funds, venture capital funds).

Until January 2023, the authorities issued 11,628 Golden Visas, of which approximately 92% were granted on the basis of investments in real estate. Under the Golden Visa program, Portugal attracted approximately EUR 6,800 million in revenue from 2012 to January 2023.

Key developments

On 16 February 2023, the Council of Ministers proposed several measures to achieve the goal of providing housing

for Portuguese nationals through structural reforms (based on the promotion of new public housing measures and revision of existing ones) and short-term measures (to simplify licensing procedures, increase the supply of rental housing and combat property speculation).

The proposal to discontinue the issuance of Golden Visas is one of the measures aimed at addressing real estate speculation. This proposal is expected to go into effect once it is approved by the Portuguese parliament. Until then, eligible third-country nationals may continue to submit new applications to obtain these visas.

After the proposal goes into effect, individuals who already hold Golden Visas based on investments in real estate may still apply to renew their visas, provided they meet one of the following conditions:

- ▶ The holder (or their dependent) resides permanently in the property in which they invested.
- ▶ The holder has leased the property for their residence under a long-term rental contract (i.e., for a period of five years or more).

In addition, individuals who hold Golden Visas on the basis of other categories of investments (i.e., excluding real estate) may be able to convert them to other immigration categories foreseen in the law. However, there are no details on the procedures to be implemented for this purpose.

Impact on employers

The end of the Golden Visa regime is not expected to have a significant impact on employers. Holders of Golden Visas may verify if they are impacted by the changes in the legislation and meet the necessary conditions to renew their visas.

Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.

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